

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Handloom Industry - Extension of period for commencement of commercial production by the investors of Textile Park, Siricilla for a period up to 31-12-2009 to avail the 50% Power Tariff Concession; and to extend for 50% Power Tariff Concession and extending to all the (4 units) i.e., Subash Textiles, Rahul Textiles, Sharath Textiles, and Anil Textiles established in the Textile Park before issue of Power Tariff Concession -Orders - Issued.

INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Rt.No. 674

Dated 05 - 11- -2009.

Read the following:-

1. G.O.Rt.No.847, Ind.& Com(Tex.)Department, dt 27-12-2006.
2. From the Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, letter Rc.No.7915/TextileParks,,Siricilla/07-Park.IIdt:18-10-2007, & dated 1-11-2007.
3. Government Memo.No.16149/Tex.2/2007-6 dt: 7-3-2008.
4. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, letter Rc.No.7915/Parks-II.Siricilla/07-Park.II dt: 8-4-2008.
5. From the Siricilla Textile Park Investors Association, Siricilla representation, dated :11-4-2008.
6. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, letter Rc.No.7915/Parks-II.Siricilla/07-Park.II dt: 14-10-2008.
7. Government Memo.No.16149/Tex.2/2007-10,dt:21-10- 2008.
8. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, Lr.Rc.No.7915/07-Park.II, dt. 31-10-2008.

O R D E R:-

In the reference 1st read above, orders were issued sanctioning 50% Power Tariff Concession irrespective of the H.P load factor for a period of (3) years from the date of commercial production to all the units located in the Textile Park, Siricilla as a special case, with the following pre-conditions:-

- 1) The investors should commence commercial production within a period of 12 months from the date of issue of orders;
- 2) The Investors should install highend machinery eligible under Technology Upgradation Fund Scheme.(TUF).
- 3) The Investors shall pay the power tariff and claim reimbursement @ 50% of the unit consumption Cost.

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2. In the reference 4th read above, the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has stated that in the 9th State Level Committee Meeting held on 18-3-2008, the Committee agreed to recommend to the Government on the following:-

- (1) to extend the period of commencement of commercial production for one more year up to 31-12-2009 to avail the 50% Power Tariff Concession duly issuing an amendment to the G.O.Rt.No.847, Industries and Commerce (Tex) Department, dt.27-12-2006.
- (2) the State Level Committee Handloom sector also agreed and to recommend to the Government to extend the 50% Power Tariff Concession to all the (3) units established in the park before the issue of Power Tariff Concession G.O.
- (3) to bear 50% of cost of the Power bill for (3) years, it is being implemented for the Powerloom Industry with 5 H.P. load in the State. The State Level Committee has discussed the matter and opined to continue the procedure as indicted in the G.O.Rt.No.847, Ind.& Com.(Tex.) Dept., dt.27-12-2006 since Sanction of incentives under the State Industrial Investment Promotion Policy, 2005-2010, is only on reimbursement basis.

3. In the reference 6th read above, the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has stated that the additional subsidy involved due to the Power Tariff Concession as recommended by the State Level Committee on the issues will be met from out of the Budget of Handlooms and Textiles Department. The financial implications on the 50% Power Tariff Concession to the units at Textile Park, Siricilla are as follows:-

	(Rs.in lakhs)
Tentative 50% power subsidy claim Upto 31-12-2008.	40.00
Tentative 50% Additional Power subsidy Claim if the eligibility period is extended Upto 31-12-2009.	68.63

Total	Rs.108.63 lakhs

4. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has also stated that (4) units had gone into commercial production prior to issue of G.O.Rt.No.847, Industries and Commerce (Tex) Department., dated 27-12-2006. The total claim of those (4) units up to 30.6.2008 is coming to Rs.11,97,028 and they have not been paid power subsidy till date. He has also stated that (7) powerloom units have gone into commercial production after issue of said G.O. and they have not been paid 50% power subsidy till date as per G.O. The total claim comes to Rs.22.26 lakhs as on 30-6-2008.

5. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has further stated that another (40) units may go into commercial production by 31.3.2009. The additional burden for extending the period for one more year upto 31.12.2009, will be Rs.68.63 lakhs for one year. If some of the units fail to start commercial production by 31.3.2009, the additional burden on the

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exchequer will correspondingly gets reduced.. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has stated that according to the report of the Park Administrator, Textile Park, Siricilla, (19) units have commenced commercial production so far in the Park and the following (4) units have commenced commercial production before the issue of G.O.Rt.No.847, Industries and Commerce (Tex) Department, dated 27.12.2006, sanctioning 50% power subsidy:

- (1) M/s. Subash Textiles
- (2) M/s. Rahul Textiles
- (3) M/s. Sharath Textiles
- (4) M/s. Anil Textiles.

6. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has requested the Government to issue orders on the following issues:-

- (1) to extend the period for commencement of commercial production by the investors of Textile Parks, Siricilla, Karimnagar district for a period upto 31-12-2009 to avail the 50% of Power Tariff Concession duly issuing an amendment to G.O.Rt.No.847, Industries and Commerce (Tex) Department, dated 27-12-2006; and
- (2) to extend the 50% Power Tariff Concession to all the (4) units i.e., established in Textile Park before the issue of Power Tariff Concession G.O.

7. After careful examination, Government have decided:

- (i) to extend the period of commencement of commercial production by the investors of Textile Parks, Siricilla, Karimnagar district for a period of one year up to 31-12-2009 to avail the 50% Power Tariff Concession duly amending the orders issued in G.O.Rt.No.847, Ind.& Com.(Tex.) Dept., dt.27-12-2006; and
- (ii) to extend the 50% Power Tariff Concession to all the (4) units i.e., (1) Subash Textiles (2) Rahul Textiles (3) Sharath Textiles and (4) M/s. Anil Textiles, established in Textile Park in Siricilla which have commenced commercial production before issue of Power Tariff Concession orders vide G.O.Rt.No. 847, Industries and Commerce (Tex) Department, dt.27-12-2006, subject to meeting the expenditure within Budget estimates (Final) 2009-10 of the Commissioner of Handlooms and Textiles

8. Accordingly, Government hereby--

- (i) Extend the period of commencement of commercial production by the investors of Textile Park, Siricilla, Karimnagar district for a period of one year up to 31-12-2009 to avail the 50% Power Tariff Concession duly amending the orders issued in G.O.Rt.No.847, Ind.& Com.(Tex.) Dept., dt.27-12-2006; and
- (ii) extend the 50% Power Tariff Concession to all the (4) units i.e., (1) Subash Textiles (2) Rahul Textiles (3) Sharath Textiles and (4) M/s. Anil Textiles, established in Textile Park in Siricilla which have commenced commercial production before issue of Power Tariff Concession orders vide G.O.Rt.No. 847, Industries and Commerce (Tex) Department, dt.27-12-2006, subject to meeting the expenditure within Budget estimates (Final) 2009-10 of the Commissioner of Handlooms and Textiles.

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9 The orders issued in G.O.Rt.No.847, Industries and Commerce (Tex) Department, dt: 26-12-2006 are amended to the above extent.

10. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad is requested to take action in the matter accordingly.

11. This order issues with the concurrence of Finance (Exp.I&C) Department vide their U.O. No.27639/476/Exp.I&C/2009, dated 30- 10 - 2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.VEERABHADRAIAH,
SECRETARY TO GOVERNMENT.

To
The Director of Handlooms and Textiles and Development
Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad.

Copy to :

The Special Secretary to Chief Minister
The P.S to Special Chief Secretary to Government,
Energy Department.

The P.S. to Minister for Handlooms and Textiles.

The P.S. to Minister for Finance.

The Secretary to Government,
Industries and Commerce Department

The Finance (Exp.I&C) Department.

SF/SC.

// FORWARDED BY: ORDER//

SECTION OFFICER.